



City of Kirkland

Economic Development and the Cross Kirkland Corridor



Economic Development and the Cross Kirkland Corridor

Overview

The mission of economic development in Kirkland is to create and support public and private initiatives that promote job creation, business retention and recruitment, increase goods and services to residents and businesses.

A healthy economy is an integral part of Kirkland’s high quality of life and an important community value. Kirkland’s economy allows residents to access job opportunities as well as goods and services. It provides revenue sources that help to ensure needed public services. Economic development should not compromise residential neighborhoods or the natural environment.

Seven key goals help guide the way to the achievement of Kirkland’s economic development mission. They are:

- 1) Foster a strong and diverse economy consistent with community values, goals and policies.
- 2) Promote a positive business climate.
- 3) Strengthen the unique role and economic success of Kirkland’s commercial areas.
- 4) Develop and implement economic development strategies that reflect the role of Kirkland businesses in the regional economy.
- 5) Provide the infrastructure and public facilities to support economic activity and growth.
- 6) Foster collaborative partnerships among community interest groups to achieve Kirkland’s desired economic goals.
- 7) Recognize Kirkland’s artistic, cultural, historic and recreational resources as important contributors to economic vitality.

Purchase and Redevelopment of the Cross Kirkland Corridor

The most recent major initiative that has a significant economic development component is the purchase and redevelopment by the City of Kirkland of the abandoned Burlington Northern Santa Fe Corridor. Renamed the Eastside Rail Corridor, it is a 42-mile stretch of right-of-way, currently in multiple ownerships, with the Kirkland Segment of 5.75 miles owned by the City of Kirkland. The redevelopment of rail corridor for bike, pedestrian and transit use, for recreation and transportation is the plan, and the result could be transformative, particularly in regard to the redevelopment of the business districts in Kirkland and elsewhere that lie along it and the jobs that could be realized.

The segment of the corridor that passes through Kirkland once carried freight trains that served among other industries, aerospace. With locations in Renton and Everett, Boeing depended on suppliers along the BNSF for manufacture and assembly of airplane parts. Vestiges of this can be seen in many warehouse and manufacturing spaces in Totem Lake that date from this era.

That the corridor could be redeveloped, particularly for transit, could be a defining factor in decisions by tech companies and others to locate in Kirkland as their workforces can benefit from home to work connections and recreational opportunities.



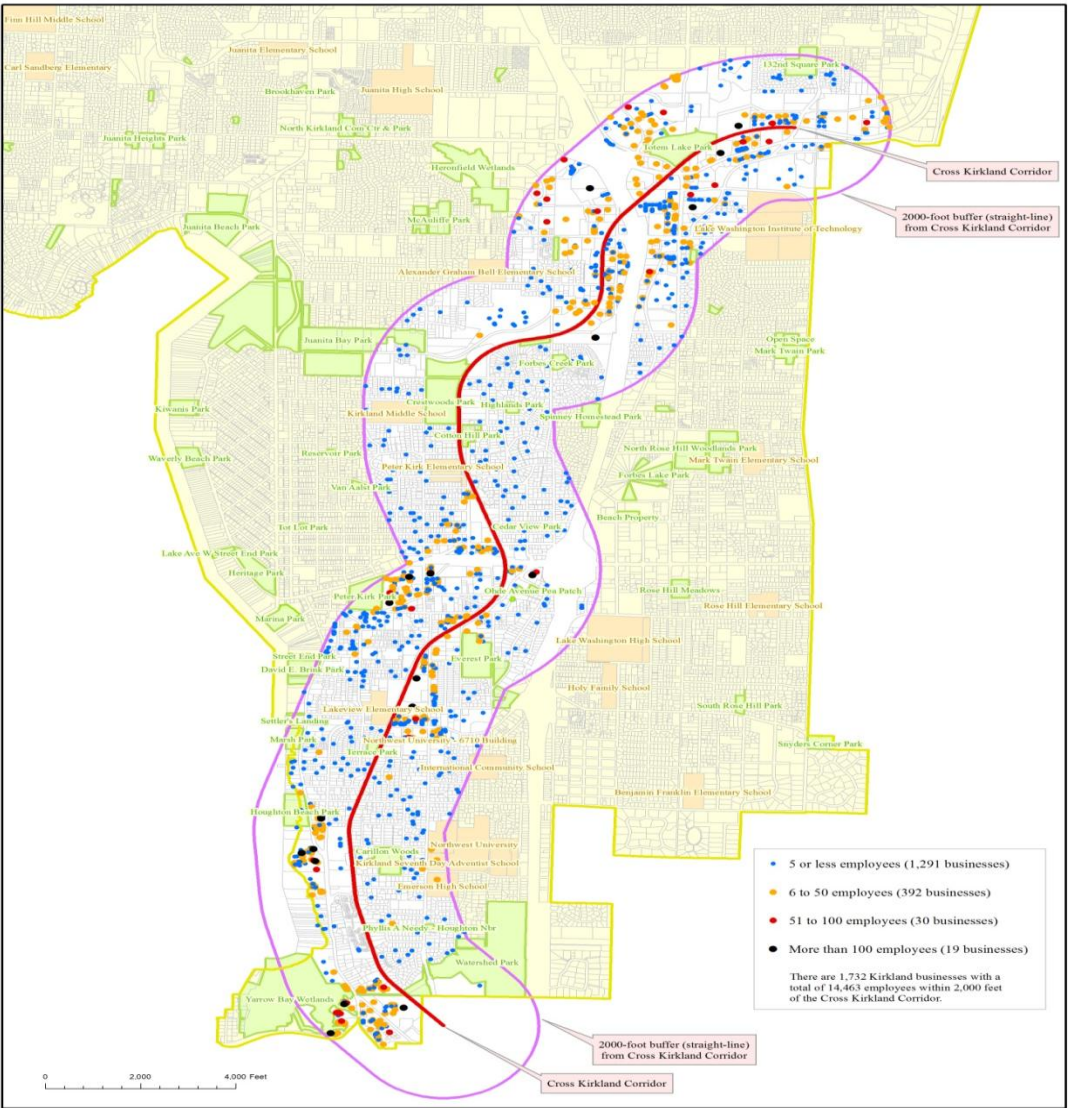
Eastside Tennis Center in Totem Lake, former warehouse that backs onto the Cross Kirkland Corridor



Macro Technologies in Totem Lake, located near the Cross Kirkland Corridor

At present, 1,737 businesses with 14,486 employees are located within 2,000 feet of centerline of the corridor. These include several of the largest businesses in Kirkland – Evergreen Health, Google, Nintendo, Astronics and Kenworth Truck (Paccar).

In the Parmac area of the Totem Lake Business District alone, the commercial zones that lie adjacent to the corridor are currently zoned to accommodate approximately 5.8 million square feet of redeveloped office space. Using a figure of four employees per 1,000 square feet of office space, this equates to an additional 23,200 employees, and could accommodate Kirkland’s entire share of the regional target for employment growth it must demonstrate that it can handle in the 2035 Comprehensive Plan.



Businesses within 2000’ of Cross Kirkland Corridor

In the event that this is realized, \$1.7 million in additional annual business and property taxes could be collected and put back into redevelopment of the corridor.

Placemaking

The High Line in New York City is an elevated former subway line that has become one of Manhattan’s must-explore city parks. It has a variety of attractions along its length, spurring reinvestment in bordering commercial districts.

The rezoned area has provided opportunities for new residential and commercial development, facilitated the reuse of the High Line as a unique park, created and maintained affordable housing, and enhanced the neighborhood’s art gallery district.

Since the rezoning, a total of 1,374 new housing units—132 of which are affordable units—and just under 500,000 square feet of commercial office space were completed or put into construction from Gansevoort Street to 30th Street.

A total of 33 new housing, commercial, retail, non-profit and gallery projects are completed, in construction, or in the planning stage as a result of the new economic development opportunities provided by the High Line.



High Line, New York, NY

Burke-Gilman Trail, Seattle, WA

Decades of improvements have transformed the San Antonio River from a corridor of danger to a corridor of civic pride. The San Antonio Riverwalk has spurred hotel, restaurant and convention center development with water taxis running along the lively pedestrian promenade



San Antonio Riverwalk, San Antonio, TX

The Burke-Gilman – Sammamish Trail is a 27-mile multi-use recreational path built on an abandoned Seattle Lake Shore and Eastern Railway corridor. The City of Seattle manages the Burke-Gilman Trail, which connects directly to the Sammamish River Trail in Bothell. It continues through Redmond and Issaquah.



The 150-mile Great Allegheny Passage connects with the 184.5-mile C&O Canal Towpath at Cumberland, Maryland to create a 334.5-mile traffic and motorized vehicle-free route between Pittsburgh, PA and Washington, DC.

The Trail Town Program is an economic development initiative along The Great Allegheny Passage. It fosters a corridor of revitalized trailside communities that reap the economic benefits of trail-based tourism and recreation as part of a larger, coordinated approach to regional economic development. The long-term economic viability of participating communities is to be achieved through concentrated business development efforts that capitalize on the trail user market. The goals of the program are simple:

- Retain existing businesses.
- Expand and increase revenues of existing businesses.
- Recruit sustainable businesses.
- Adopt the Trail Town vision and integrate its concept of a visitor-friendly environment in community planning.



Great Allegheny Passage

A number of projects feature plans that place trails alongside transit. One of the current projects receiving numerous accolades is California’s SMART Pathway. Located north of San Francisco, the SMART Pathway will be 70 miles long, traversing two thirds of Sonoma County and a portion of Marin County. Fifty-two miles of the trail will be adjacent to the active SMART commuter railway which will include 14 train stations offering connections between ten cities. As an economic development tool, SMART will offer a town and country experience-dining and shopping in cities and walking, bicycling, inline skating while enjoying the beautiful countryside.



SMART, Sonoma County, Calif.

Another example of ‘rail-trail’ is the Denton Branch Rail Trail in Denton, Texas. Denton, population 113,000, located 38 miles from Dallas, purchased an 8-mile segment of the 21-mile commuter rail line between Denton and Carrollton in 1993 from Union Pacific, (with UP reserving rights to reactivate the rail service). Denton figured correctly that growth was coming and rapid transit capacity would someday be important. An ISTEA grant totaling \$435,000 enabled the City to convert the rail to trail securing and covering the struts. It remained that way until 2012. With the growth of the Dallas metropolitan area the rail line was reactivated. It is now a feeder line called the A-train, connecting to Carrollton and the Dallas Area Rapid Transit Green Line. Denton now has an 8-foot wide paved trail adjacent to commuter rail.



Denton Branch Rail Trail, Texas



The Atlanta BeltLine utilizes an existing 22-mile historic rail corridor that encircles the City of Atlanta as its foundation. Pedestrian friendly rail transit and 33 miles of multi-use trails will follow this corridor and spur off from it. The Atlanta BeltLine is transforming the city with a combination of rail, trail, greenspace, housing and art. It will ultimately connect 45 in-town neighborhoods, provide first and last mile connectivity for regional transportation initiatives, and put Atlanta on a path to 21st century economic growth and sustainability.

Atlanta Beltline, Georgia

Redevelopment Benefits



Impetus for Locational Decisions

3400 Stone in Seattle, WA -- Global Headquarters for Brooks Sports
Seattle’s Burke-Gilman Trail served as a major drawing card in the location decision process for the new global headquarters building for Brooks Sports which opened in 2013. The company occupies approximately 80,000 square feet of the 120,000 square foot building, located across the street from the popular trail in the vibrant Fremont/Wallingford area. The manufacturer of running footwear and apparel has a mission of inspiring people to run and be active. Its first floor retail location adjacent to the Burke-Gilman Trail is meant to serve as a welcoming trailhead for runners, walkers and others who will gather at Brooks to meet friends and begin their workouts.

Enhanced Property Values
In 1987, nine years after the Burke-Gilman Trail was constructed, a study was conducted to determine what effect, if any, the Burke-Gilman Trail had on property values and crime affecting property near and adjacent to the trail.

The study found that the Burke-Gilman Trail is regarded by real estate companies as an amenity that helps to attract buyers and to sell property. Single-family homes, condominiums and apartments are regularly advertised as being near or on the Burke-Gilman Trail. Property near but not immediately adjacent to the trail was found to be significantly easier to sell, and according to realtors, sells for an average of six percent more as result of its proximity to the trail.

The existence of the trail has had little, if any, effect on crime and vandalism experienced by adjacent property owners. Police officers interviewed stated that there is not a greater incidence of burglaries and vandalism of homes along the trail.

Numerous other examples across the United States support the contention that greenways help to support the property values of the communities in which they are located. Examples include:

- Apex, NC: The Shepard’s Vineyard housing development added \$5,000 to the price of 40 homes adjacent to the regional greenway---and those homes were still the first to sell.
- Front Royal, VA: A developer who donated a 50-foot-wide, seven-mile-long easement along a popular trail sold all 50 parcels bordering the trail in only four months.
- Salem, OR: Land adjacent to a greenbelt was found to be worth about \$1,200 an acre more than land only 1000 feet away.
- Oakland, CA: A three-mile greenbelt around Lake Merritt, near the city center, was found to add \$41 million to surrounding property values.

- Brown County, WI: Lots adjacent to the Mountain Bay Trail sold faster for an average of nine percent more than similar property not located next to the trail.
- Dayton, OH: Five percent of the selling price of homes near the Cox Arboretum and park was attributable to the proximity of that open space.
- In metro-Denver, 73% of real estate agents and 57% of homeowners living adjacent to a trail perceived the trailside location as an asset and priced the homes higher.

Business Growth, Retention and Increased Sales Taxes

Along with increased property values, the economic benefits associated with greenways include increased business growth and expansion, improved retention and collection of incremental sales tax revenues. Examples include:

- Glendale, CO: The city attributes \$40 million in economic benefit from the \$4 million investment that Arapahoe County, CO has provided through Open Space Program funding to support the development of Infinity Park.
- Leadville, CO: In the months following the opening of the Mineral Belt Trail, the city reported a 19 percent increase in sales tax revenues.
- The Outer Banks, NC: Bicycling is estimated to have an annual economic impact of \$60 million and 1,407 jobs supported from the 40,800 visitors for whom bicycling was an important reason for choosing to vacation in the area. The annual return on bicycle facility development in the Outer Banks is approximately nine times higher than the initial investment.
- Damascus, VA: At the Virginia Creeper Trail, a 34-mile trail in southwestern Virginia, locals and non-locals spend approximately \$2.5 million annually related to their recreation visits. Of this amount, non-local visitors spend about \$1.2 million directly in the Washington and Grayson County economies.
- Morgantown, WV: The 45-mile Mon River trail system is credited by the Convention and Visitors Bureau for revitalizing an entire district of the city, with a reported \$200 million in private investment as a direct result of the trail.
- Tallahassee, FL: The Florida Department of Environmental Protection Office of Greenways & Trails estimate an economic benefit of \$2.2 million annually from the 16-mile St. Marks Trail.
- San Antonio, TX: Riverwalk Park, created for \$425,000, has surpassed the Alamo as the most popular attraction for the city’s \$3.5-billion tourism industry.
- Allegheny Passage, PA: The direct economic impact of the trail exceeded \$14 million a year, encouraging the development of several new businesses and a rise in property values in the first trailhead town.
- Dallas, TX: The 20-mile Mineral Wells to Weatherford Trail attracts 300,000 people annually and generates local revenues of \$2 million.

Lure to New Uses and Adaptive Reuse of Older Industrial Buildings

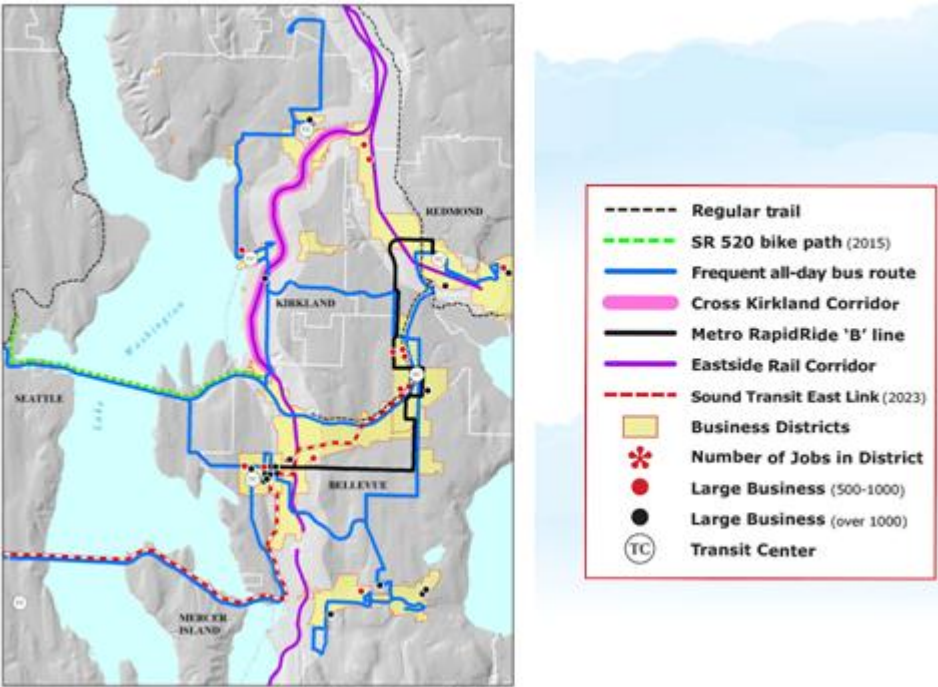
In Kirkland, interim zoning has been adopted for the parcels that border the corridor in Totem Lake to attract retail uses that have been associated with corridors nationally. In particular, restaurants, breweries, wineries and distilleries are now allowed in areas of Totem Lake that were formerly zoned for industrial use only, with the expectation that high tech office would eventually transform the district. The hope is that the retail uses will generate excitement, thereby spurring further redevelopment to high tech office. One brewery and three wineries have already located along the corridor and other breweries are looking for space.

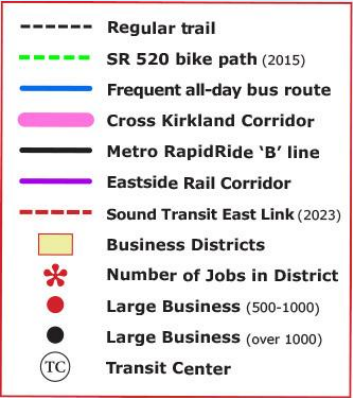
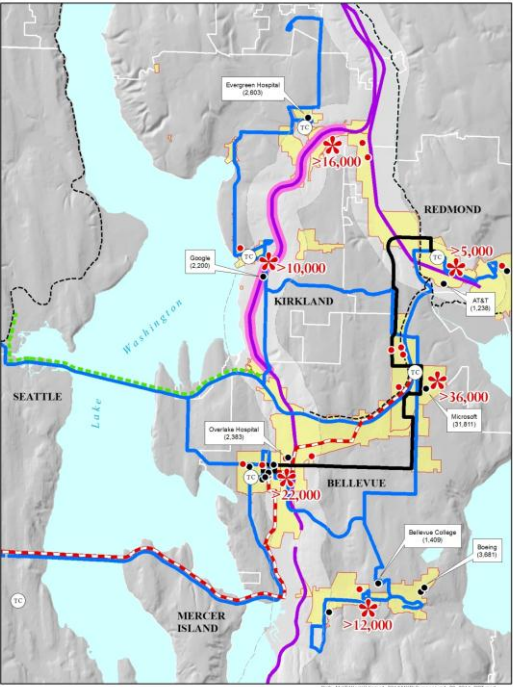
Interconnected Eastside Transportation Network

Without connections to other locations however, especially in nearby Redmond, Bellevue and Woodinville – that either complete the journey from home to work to play, or link to hubs for light rail and bus rapid transit, thus picking up additional ridership, it is hard to envision the current 5.75 miles as an economic development driver.

Linkages to these transit hubs (Sound Transit2 light rail project at Bellevue Hospital District), I-90 bus rapid transit, as well as the regional trail systems, will need to be implemented.

The following three diagrams depict the potential for a fully integrated, interconnected, multi-modal transportation system on the Eastside:





Plans underway

Google

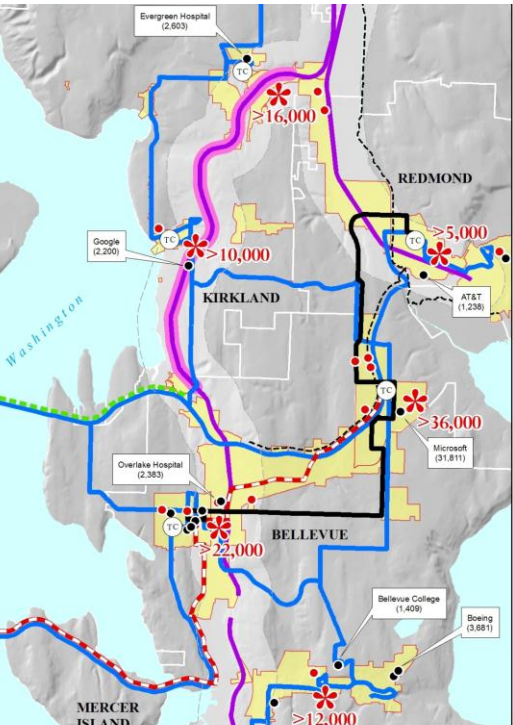
Phase II of the Google campus will contain approximately 180,000 square feet of office space and 720 parking stalls in two underground levels of parking. It is located directly adjacent to Google's current campus. The current campus and the Phase II campus are separated by the Cross Kirkland Corridor, which will be improved as part of Phase II providing the necessary vehicular, pedestrian and infrastructure improvements to connect the two phases. Construction is scheduled to be complete in 2015.



Google Campus Phase II

South Kirkland Transit Oriented Development

The South Kirkland Park and Ride – Transit Oriented Development project is currently under construction and due to be completed in the fall of 2014. It is a mixed-use project that will include 58 affordable apartments, 185 market rate apartments, commercial buildings, and parking for transit users, apartment dwellers and retail shoppers. It will serve as the southernmost access point to the Cross Kirkland Corridor.



BY 2031...

City of Kirkland Growth Targets:

- +8,570 households
- +20,850 jobs

King County Growth Targets:

- +233,000 households
- +428,000 jobs



Summary

Kirkland is committed to fostering economic development initiatives that lead to job creation, business retention and recruitment and the provision of goods and services to residents and businesses.

The purchase and redevelopment of the Cross Kirkland Corridor represents an important opportunity that can be embraced to support all of these economic development goals.

From the High Line in New York City, to the nearby Burke-Gilman Trail, there are numerous examples of greenways across the United States that have been successfully repurposed to become community assets that promote active transportation, recreation and economic vibrancy.

Development activity is already occurring within Kirkland along the corridor. Google is undergoing a major campus expansion on the western side of the corridor from its present campus. The South Kirkland Transit Oriented Development will serve as a southern gateway to the corridor, and provide connections between employers and their workforces. New businesses have been established near the corridor, and cited their proximity to it as an important element of their business model.

As the owner of the corridor, the City of Kirkland can continue to take the lead on championing its responsible development into a world class multi-modal transportation link and recreational asset that fosters economic activity.

Totem Lake Park Master Plan

The Kirkland City Council has approved the Totem Lake Park Master Plan, which would turn the 17-acre parcel of land and lake into a park with a looping boardwalk, a restroom facility and a play area. Implementation of the plan will help to give the Totem Lake Business District a sense of place, and encourage redevelopment of the Totem Lake Malls immediately to the north.



Totem Lake Park Master Plan rendering of spiral overpass

For more information contact:

Ellen Miller-Wolfe
emwolfe@kirklandwa.gov
 425-587-3014

City of Kirkland
 123 5th Ave
 Kirkland, WA 98033

